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Conference of African Ministers
Responsible for Trade and
Development Preparatory to UNCTAD VII

16-18 March 1987, Addis Ababa (Ethiopia)

REPORT OF CONFERENCE OF AFRICAN MINISTERS RESPONSIBLE
FOR TRADE AND DEVELOPMENT PREPARATORY TO UNCTAD VII

LC/NAIR/87/12

I. INTRODUCTION

1. The Conference of African Ministers Responsible for Trade and Development Preparatory to UNCTAD VII was held in Addis Ababa, Ethiopia from 15 to 19 March 1987 and was presided over by His Excellency Mr. Abdourahmane Touré, Minister of Trade of Senegal. The Conference was opened by Comrade Tesfaye Dinka, Alternate Member of the Politburo of the Central Committee of the Workers' Party of Ethiopia and Minister in Charge of Financial and Economic Services in the Council of Ministers. The purpose of the Meeting was to prepare a common African position with regard to the provisional agenda of the seventh session of the United Nations Conference on Trade and Development. The Conference had before it, a document entitled "Declaration of African Ministers Responsible for Trade and Development Preparatory to UNCTAD VII" (E/ECN/TRADE/7.0) which contained Africa's position prepared by the meeting of the Intergovernmental Group of Experts which met in Addis Ababa from 9 to 11 March 1987. The African submission covers critical issues such as resource flows including external debt, commodities, international trade and problems of the least developed countries.

II. ATTENDANCE

2. The following member States of the Economic Commission for Africa were represented: Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Chad, Central African Republic, Comoros, Congo, Côte d'Ivoire, Djibouti, Egypt, Ethiopia, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Mali, Mauritania, Morocco, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sudan, Tanzania, Tunisia, Togo, Uganda, Zaire, Zambia and Zimbabwe.

3. The following attended the Conference as observers: the United Nations Conference on Trade and Development (UNCTAD), the International Trade Centre (ITC), the United Nations Development Programme (UNDP), the United Nations High Commission for Refugees (UNHCR), the African Development Bank (ADB), the Organization of African Unity (OAU), the Arab League, and the Association of African Trade Promotion Organizations (AATPO).

Election of the bureau

4. The Conference elected the following countries to constitute the bureau:

Chairman	- Senegal
First Vice-Chairman	- Egypt
Second Vice-Chairman	- Kenya
Third Vice-Chairman	- Rwanda
Rapporteur	- Serbia

III. ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

5. The Conference Adopted the following agenda:

1. Opening ceremony
2. Election of officers
3. Adoption of agenda and programme of work
4. Revitalizing development, growth and international trade, in a more predictable and supportive environment, through multilateral co-operation. Assessment of relevant economic trends and of global structural change, and appropriate formulation of policies and measures, addressing key issues in the following interrelated areas:
 - (a) Resources for development, including financial, and related monetary questions.
 - (b) Commodities.
 - (c) International trade.
 - (d) Problems of the least developed countries, bearing in mind the Substantial New Programme of Action for the 1990s for the Least Developed Countries.
5. Examination of the distribution of costs on the bureaux at the level of G.77 and during the UNCTAD VII as well as the question of the strategy to be adopted
6. Any other business
7. Adoption of the report and closure of the meeting

IV. ACCOUNT OF PROCEEDINGS

Opening statements

6. The opening ceremony was presided over by H.E. Mr. A.N. Njirere, Assistant Minister for Commerce and Industry of the Republic of Kenya. His introductory remarks included an expression of gratitude on behalf of the delegations to the Government of Socialist Ethiopia for the hospitality extended to all delegations since their arrival. Welcoming the delegations on behalf of Comrade Mengistu Haile Mariam, General Secretary of the Workers Party of Ethiopia, Chairman of the Provisional Military Administrative Council and Commander in Chief of the Revolutionary Armed Forces, and on behalf of the people and Government of Ethiopia, Comrade Tesfaye Dinka, Alternate Member of the Politburo of the Central Committee of the Workers' Party of Ethiopia in charge of Financial and Economic Services in the Council of Ministers underlined the crucial importance of the meeting preparatory

to UNCTAD VII. He then drew the attention of the meeting to the fact that the 1980s were characterized by economic instability mainly due to some of the policies pursued by the industrialized countries. In particular those which were aimed at bringing down inflation and correcting other structural imbalances within their respective economies. The end result, Comrade Tesfaye Dinka pointed out, had been a tripling of interest rates and the emergence of the debt crisis.

7. The policies had brought about recession whose adverse effects were manifested in strengthening protectionism in the developed countries and lowering of exports of developing countries. The economic instability, Comrade Tesfaye Dinka said, was marked by falling commodity prices, rising interest rates, violent fluctuations in the exchange rates, all factors which contributed to the worsening of the debt problem. Sooner rather than later, the developing countries may consider taking the route that had been taken by Brazil as the only viable solution to their debts problem if the international economic environment remained non-responsive to growth.

8. He stated that growing protectionism, declining commodity prices, impediments to the proper functioning of the international commodity agreements, and indeed the break up of some of them had all contributed to the deterioration of the export earnings of the developing countries. Comrade Tesfaye Dinka further stated that recent developments in the world economy had been detrimental to sustained growth in all developing countries, and that their negative impact had been most acutely felt in Africa where already weak economies had been hard hit by drought and other natural calamities, let alone the rise in oil prices. Thus Africa's debt in the end of 1986 was about US\$ 200 billion. Main account is taken of the ability to pay Africa's debt service payments impose a much heavier burden than those of all other developing regions.

9. With regard to the deterioration in the terms of trade Comrade Tesfaye Dinka expressed concern that this coupled with other unfavourable external developments, had resulted in the deterioration of the standard of living of the people in Africa. This lot was no better today than what it was in the 1960s. In this connection he highlighted the contribution of the external hostile environment and recalled some of the difficulties encountered in the implementation of adjustment programmes. He therefore felt that these programmes needed to be accompanied by adequate resource flows on terms appropriate to Africa's fragile economies. He regretted the fact that the flow of concessional aid had been on the decline in recent years, a fact that was partly explained by the conditionality attached to such resource flows.

10. Comrade Tesfaye Dinka then reminded the meeting of Africa's Priority Programme for Economic Recovery 1986-1990 as adopted by the African Heads of State and Government and subsequently endorsed by the United Nations General Assembly and the need to keep it in mind in the preparation of the African position for the Group of 77 and for the forthcoming United Nations Conference on Trade and Development. Turning to the question of African external indebtedness, he stressed that the solution of Africa's debt problems was beyond the capacity of African countries and that a global approach was clearly required. He explained this as part of the background to why the African Heads of State and Government had called for the convening of an international conference on Africa's external indebtedness as a matter of urgency. He therefore urged the meeting that it was necessary to obtain the support of the Group of 77 for the special treatment of the African debt problem.

11. Speaking about the least developed countries, Comrade Tesfaye Dinka, stated that the majority of these countries were located in Africa and that they ought to receive more resources on concessional terms from the International Monetary Fund and all lending institutions. With regard to commodity markets, he said that the Group of 77 ought to continue to press upon the industrialized countries which had not done so to sign and ratify the Common Fund Agreement of the Integrated Programme for Commodities. Comrade Tesfaye concluded his opening statement by congratulating Mr. M. Dakle on his appointment as Secretary General of UNCTAD and wished the Conference every success in its deliberations whose aim was to get the most for Africa from the forthcoming UNCTAD VII.

12. The Executive Secretary of the Economic Commission for Africa (ECA), Prof Adedayo Adediji, while welcoming the delegations, expressed his gratitude to the Government and People of Socialist Ethiopia for the hospitality extended to all the delegates since their arrival in Addis Ababa. He also extended a special welcome to Mr. Kenneth Datta, the Secretary General of UNCTAD to the meeting. He also thanked Mr. Fasil Girma, Permanent Member of the Politburo of the Central Committee of Workers' Party of Ethiopia in charge of Finance and Economic matters in the Council of Ministers for his thought-provoking statement. He outlined the extent of the unprecedented economic crisis experienced by Africa since the sixth session of UNCTAD and stressed that Africa's Priority Programme for Economic Recovery, 1976-1980 (UNCTAD/PPR) and the United Nations Programme of Action for African Economic Recovery and Development, 1980-1990 (UNEP/AREDD) had become major points of reference for formulating policies and programmes for African socio-economic recovery and development.

13. Turning to the issues of the agenda of the present Conference, he stated that the theme of the forthcoming UNCTAD VII was very much in line with the basic preoccupations of the above documents, i.e. economic recovery and growth. In fact, the process of African economic recovery had started in 1976 as demonstrated by the positive commitment towards economic reform. Many African countries had embarked upon the necessary structural adjustments which could assist in laying the foundations for self-sustained economic growth and development.

14. He further drew attention to a number of critical issues which emerged from the present international economic environment. The first of these issues was the rigidity in the trade and economic policies of the industrialized nations towards Africa, especially in the pricing of primary commodities on the world market, protectionism and barriers of trade, resulting in the aggravation in the already serious balance-of-payments situation of many African countries. The second issue was the negative outflow of resources from Africa. With the total external debt standing at over \$US 200 billion at the end of 1986, the region would have to spend between \$US 16 billion and \$US 24 billion annually for debt servicing in the period from 1986 to 1990.

15. Another major issue of concern, he said, was the decline in Official Development Assistance (ODA) in real terms. Despite some increases by a number of individual donor countries in their ODA flows to some African countries, there had been an overall reduction in financial assistance to the region contrary to the commitments under the UNDP/AREDD. This would be further exacerbated by the termination of the Special Fund for Sub-Saharan Africa of the World Bank as of 30 June 1987. The situation would be that African countries would now not be assured of any significant increase in financial resources from the developed countries.

16. With regard to the problems of the Least Developed Countries (LDCs) he expressed concern that 27 out of total 50 African countries were currently least developed and that another country was about to join the group. Despite the Substantial New Programme of Action (SNPA) for the 1980s for the LDCs adopted in Paris in 1981, all LDCs in Africa continued to experience persistent deterioration in their economic growth. If these trends were not reversed, by the year 2000 nearly all African countries, except a few, would be among the least developed.

17. He concluded by emphasizing that it was against that background that the region was approaching the negotiations at UNCTAD VII and the UNCTAD session would have to find ways to solving the above problems. To this end, special concessions had already been granted to African countries by the Special Session of the General Assembly on the critical economic and social situation in Africa held in May 1986. Therefore, it would be important for Africa, while bearing in mind the necessity of maintaining the cohesion within the Group of 77, not to lose what it had so painstakingly achieved. Therefore, the task before UNCTAD VII, in so far as Africa was concerned, was to adopt concrete measures to implement the decisions for the Special Session of the General Assembly.

18. In his opening statement, Mr. Brownson Dube, the Assistant Secretary-General of OAU, welcomed all delegations to Addis Ababa on behalf of H.E. Mr. Ide Amadou, the OAU Secretary General who was unavoidably absent from Addis Ababa on official duties. He also accorded special welcome to Mr. Kenneth Dadasie the new and first African Secretary General of UNCTAD.

19. The purpose of the Conference, he said was to adopt a common African position concerning all the agenda items and issues for UNCTAD VII, in preparation for the Ministerial meeting of the G.77 and the UNCTAD Conference. It was important that an African common position reflected the crucial issues of concern to Africa, such as those identified in the Africa's Priority Programme for Economic Recovery 1986-1990. The issues on which to focus attention, included increased transfer of resources in concessional terms for the implementation of APPER; the external debt problem of African countries including the convening of an International Conference on Africa's External Debt, commodity issues, and the social situation of African least developed countries.

20. These issues, Mr. Dube said, were well covered in the United Nations Programme of Action for Economic Recovery and Development 1986-1990, and were genuine. The meeting of the Intergovernmental Group of Experts had thoroughly discussed these issues and it was necessary therefore that the Conference of Ministers reviewed the proposals made by the experts, identify negotiating strategies bearing in mind the special concerns of African countries.

21. The Conference, he said, should in particular pay attention to the nature of results at UNCTAD VII because Africa would only be satisfied if the results were concrete and covered the priority issues relating to the accelerated socio-economic recovery and development in Africa.

22. The Minister of Trade of the Republic of Rwanda moved a vote of thanks to the Government of Ethiopia, on behalf of the Conference. He paid tribute to Comrade Tsefaye Dinka, Alternate Ambassador of the Politburo of the Central Committee of the Workers' Party of Ethiopia, in-charge of the Financial and Economic Services in the Council of Ministers, for his throat-provoking speech made at the opening of the Conference. He then also expressed through Comrade Tsefaye Dinka, the sincere thanks of all the delegations to Comrade Mengistu Haile Mariam, General Secretary of the Workers' Party of Ethiopia, Chairman of the Provisional Military and Administrative Council and Commander-in-Chief of the Revolutionary Armed Forces, and to the people and Government of Socialist Ethiopia for the warm welcome and truly African hospitality accorded to the Ministers since their arrival in Addis Ababa. He reminded the Minister of the importance of the Conference since it was expected to define a common African position for the forthcoming session of the UNCTAD, the Minister also thanked the secretariat for the documentation which he stated to be of a high quality and that with the help of the experts, the Conference would come up with a document that would reflect Africa's views and concerns.

General statements

23. In his statement to the Conference of Ministers, the Secretary-General of UNCTAD, Mr. Kenneth R. Gossie, after thanking the speakers in the opening ceremony for their kind words of welcome and congratulations, said that UNCTAD VII could be a turning point in the efforts of developing countries to revitalise multilateral economic co-operation if they marshalled their forces and arguments effectively and deployed them in a concentrated manner. For the African countries, UNCTAD VII could provide an opportunity to enhance the implementation of the international community's commitments in the United Nations Programme of Action for African Economic Recovery and Development 1986-1990. In this respect UNCTAD VII could be used to place emphasis and seek actions, on general development problems which are of particular relevance to the African situation.

24. Referring to the work of the group of experts preceding the Conference of Ministers he considered that policy proposals, complemented by assessments of the situation in each of the four areas of focus in the agenda of UNCTAD VII, namely resources for development, commodities, international trade and least developed countries, were a rich source of inspiration for the Ministers. In reviewing the agenda of UNCTAD VII, the Secretary-General of UNCTAD mentioned that the overriding objective embodied in the unifying theme of UNCTAD VII was the revitalization of development, growth and international trade. Action at the Conference would draw together elements arising from the four different areas in light of this objective. Examples of such elements were the need for an international environment which was beyond the control of developing countries, the need for expansionary policies in the world economy and the need for additional external financial resources for development.

25. Turning to some of the organizational issues relevant to the negotiating strategy for UNCTAD VII, he explained that a consensus was emerging that the prospects for success at the Conference would be greatly enhanced by an intensive phase of substantive consultations and negotiations in May and June under the auspices of the Trade and Development Board. This process, which would be based,

upon the stated positions of groups and countries, would aim at narrowing differences in assessments and policy proposals before UNCTAD VII actually started. The dialogue was going to be complex. The developed countries, who had already started to put forward their ideas on both the agenda and the nature of eventual action, had to be persuaded to move in the direction of the developing world.

26. He suggested that the best prospects for success at UNCTAD VII lay in the Group of 77 making a well organized bid for a negotiating break-through in a few areas of concentration responding to the key interests of all developing regions and also taking into account the legitimate interests of other parties.

27. Considering the orientations for action at UNCTAD VII, over and above action at the sectoral level, he suggested some cross-sectoral themes. First efforts should be advanced to revitalize growth in the world economy, mainly through the action of major market economy countries, taking into account the interests of the developing countries and the need to reduce unemployment in the industrialized countries. Secondly, the message should be conveyed that a healthy world economy was not a sufficient condition for development. In addition to the commitment and work of their people, governments had to take responsibility to establish a national and international environment supportive of development. Accordingly, development should be placed firmly on the agenda of intergovernmental dialogue. Thirdly, structural change had to be seen as part of the development problematics. A common understanding of this process should help in arriving at longer term actions affecting economic structures and systems, which would render them more efficient and more equitable and improve the functioning of the world economy for the benefit of all countries.

Consideration of the Report of the Intergovernmental Group of Experts
Responsible for Trade and Development Preparatory to UNCTAD VII (agenda item 4)

28. The Chairman of the Intergovernmental Group of Experts (Senegal) introduced the Report (E/SC/TRADE/69) of his Group together with the annexed Draft Declaration (E/SC/TRADE/70). He stated that the document was a product of merging the Interim Progress Report of the Preparatory Committee (PC/77/VI/1) presented by the Preparatory Committee of the Group of 77 in Geneva and document E/SC/TRADE/54 "Africa's Economic Recovery, Growth and Development: Proposals for UNCTAD VII". The Conference took note of the Report. It considered the issues arising from the report such as the follow-up mechanism to monitor the implementation of decisions taken at UNCTAD sessions and the request of the People's Republic of China to be admitted as an observer to the Sixth Ministerial Meeting of the Group of 77, it was decided that these issues would be considered under the agenda item 6.

Consideration of the substantive part of the Declaration of African Ministers
responsible for trade and development preparatory to UNCTAD VII

29. The meeting decided to consider this part, chapter by chapter.

(a) Resources for development including financial and related monetary questions /agenda item 4(a)/

30. In introducing this chapter, the Chairman of the Intergovernmental Group of Experts responsible for Trade and Development Preparatory to UNCTAD VII pointed out that the document under review was prepared by a committee of experts on the basis of two documents namely 'Interim progress report of the preparatory committee of the Group of 77 in Geneva (PC/77/VI/1)' and 'Africa's Economic Recovery, Growth and Development: Proposals for UNCTAD VII (E/ECN/TRADE/53)'. He concluded by stressing that the draft proposals before the ministers, contained in document E/ECN/TRADE/70, were based on these two papers and contained the African position to be presented to the Group of 77 meeting in Geneva.

31. In the discussions that followed the ministers made a number of amendments which were incorporated in the revised text.

(b) Commodities /agenda item 4(b)/

32. Introducing this agenda item, the Chairman of the Experts' Group indicated that on the whole, this document was following the text submitted by the Preparatory Committee of the Group of 77. However some amendments were drawn from EC document E/ECN/TRADE/51.

33. African Ministers of Trade stressed not only the importance of primary products for their economies but also the full impact of the collapse of the commodities market on the economies of African States. In this context it was stated that Africa's export earnings which stood at US\$ 60.6 billion in 1985 declined sharply to US\$ 14.3 billion in 1986. It was emphasized that the shortfalls in Africa's export earnings, most of which were derived from commodity exports have adversely affected government revenues, investments and efforts to generate employment in African countries.

34. The Conference noted that the mechanisms designed to improve trade in commodities were not operational and that UNCTAD VII was an opportunity for speeding up the process of rendering these mechanisms operational. The Conference further called for a global approach to commodity issues as contained in the section on commodities of the Declaration of African Ministers of Trade and that the Group of 77 ought to support Africa's position on these issues even though the various developing regions might not always have identical interests.

(c) Consideration of the Charter on International Trade and issues of trade relations among countries having different economic and social systems /agenda item 4(c)/

35. In introducing the Charter on International Trade, the Chairman of the Experts Group Meeting stated that there had not been any major changes in the text of the Group of 77 paper. Nonetheless, the Experts had made some amendments on the basis of the ECN secretariat document (E/ECN/TRADE/54). The other issue relating to trade relations among countries having different economic and social systems was approved without amendments.

36. In the discussion that followed, an issue was raised about the importance for African countries to confront developed nations at the international negotiations from a common position. The meeting therefore, felt that it was imperative for the present Conference to form that position. Similarly, the need was stressed for a full-fledged mechanism within the Group of 77 to monitor the implementation of decisions adopted in UNCTAD. This was the framework in which the Conference adopted the Chapter in question.

- (d) Consideration of problems of the least developed countries bearing in mind the Substantial New Programme of Action for the 1980s for the Least Developed Countries /agenda item 4(d)/

37. The Chairman of the Experts Group Meeting introduced the Chapter by saying that a number of paragraphs from the ECA paper had been incorporated into document E/DCN/TRNDE/70. In discussion that followed, the Ministers made a number of amendments which were incorporated in the document proposed by Experts.

- (e) Consideration on the distribution of posts on the bureau at the level of UNCTAD VII and the issues on strategy to be adopted /agenda item 5/

38. The Chairman informed the Meeting of the consultations held in the meeting of the bureau on the recommendation that Africa should chair the seventh session of UNCTAD. The person chosen should be a person of international standing and one who is fully familiar with international negotiations within UNCTAD. Bearing this in mind, the bureau proposed Dr. Bernard T. Chidzero, Minister of Finance and Economic Planning in the Government of Zimbabwe as the most appropriate person to be President of UNCTAD VII. This proposal was unanimously adopted by acclamation.

39. With regard to other issues on the agenda such as the allocation of posts of Vice-Chairmen of the Conference for which Africa would have six posts, the Chairman of the Groups, and the spokesman of the African group, it was decided to defer those issues for consideration in Havana.

- (f) Any other business /agenda item 6/

40. Under this item, the Conference considered the subject of economic co-operation among developing countries (ECDC) in the light of Part III of the Interim Progress Report of the Preparatory Committee (PL/77(VI)/1) and decided to take note of the document on the subject submitted by the preparatory committee of the Group of 77 for UNCTAD VII. The Conference decided that the issue would be debated in Havana. With regard to the establishment of a follow-up mechanism for the decisions of UNCTAD VII the Conference felt that the question was not ripe for discussion and that before finalizing, Africa's position with regard to this issue, new consultations ought to be undertaken with a view to determining the position of the other members of the Group of 77. The delegation of the People's Republic of Congo registered reservations on the decision of the Conference regarding this issue.

41. The Conference also considered the strategy to be followed with respect to the agenda item of the Conference and decided that it would be decided upon in Havana taking into account the evolution of the debates at the Group of 77 meeting. Such a study would be based on close consideration between the spokesman and the Chairman of the African group as well as with the secretariats of EC, and ONU.

42. The Conference also considered the application of China for observer status in the Group of 77 meetings preparatory to UNCTAD VII, and unanimously decided in favour of admitting China as observer.

(g) Adoption of the report and closure of the meeting [Agenda item 7]

43. The Conference, having considered the proposals of the intergovernmental group of experts at its meeting held in Addis Ababa from 9 to 11 March 1987 adopted the common position of the African region on trade and development issues as contained in document E/CN.4/XXIII/70 entitled: Declaration of African Ministers Responsible for Trade and Development Preparatory to UNCTAD VII.

44. After the Conference adopted its report, the Chairman declared the meeting closed.